



Shelby County Tennessee

Mark H. Luttrell, Jr., Mayor

Questions & Answers (Revised)

Issued: March 20, 2013

RFP #13-002-49

Consulting Services – Health & Welfare Programs (Shelby County Human Resources)

TO ALL PROSPECTIVE BIDDERS:

The following questions were submitted by potential vendors. Our answers are listed in **red** below:

1. Will the County accept Segal's active contract (RFP No.: 08-004-75) RFP with the County as a substitute to the County's General Requirements found in this RFP?
See #2 below
2. If the County will not accept Segal's active contract (RFP No.: 08-004-75), will the County allow the following proposed exceptions to be modified as is:
 - a. 4. Termination Or Abandonment (iii) (b). The County may terminate the Contract upon seven (7) days written notice by the County or its authorize agent to the Contractor for Contractor's failure to provide the services specified under this Contract provided that such termination shall only take effect if the contractor has not remedied the failure prior xxxxxxxxxx to the of the seven (7) day notice period.
Yes
 - b. 4. Termination Or Abandonment (iii)(d). All work accomplished by Contractor prior to the date of such termination shall be recorded and ~~tangible work documents~~ deliverables (co defined in the section titled "Ownership of Deliverables") shall be transferred to and become the sole property of the County prior to payment for services rendered.
Yes

- c. ~~25. Rights in Data. The County shall become the owner, and the Contractor shall be required to grant to the County, or its successors, a perpetual, non-exclusive, non-transferable, royalty-free right in the County's name, to use any deliverables provided by the Contractor under this Contract regardless of whether they are proprietary to the Contractor or to any third parties.~~

25. Ownership of Deliverables. Except to the extent that they incorporate the Contractor's proprietary software, know-how, techniques, methodologies and report formats (collectively, the "Contractor's Proprietary Information"), all documents, data, and other tangible materials authored or prepared and delivered by the Contractor to the County under the terms of this Agreement (collectively, the "Deliverables"), are the sole and exclusive property of the County, in accordance with the terms of [this] Agreement. To the extent that the Contractor's Proprietary Information is incorporated into such Deliverables, the County shall have a perpetual, nonexclusive, worldwide, royalty-free license to use, copy, and modify the Contractor's Proprietary Information as part of the Deliverables internally and for their intended purpose.

Yes, as revised.

- d. **A. INDEMNIFICATION AND INSURANCE REQUIREMENTS**

1. Responsibilities For Claims And Liabilities. (a) Contractor shall indemnify, defend, save and hold harmless the County, and its elected officials, officers, employees, agents, assigns, and instrumentalities from and against any and all claims, liability, losses or damages ~~including but not limited to Title VII and 42 USC 1983 prohibited acts arising out of or resulting from any conduct, whether actions or omissions, whether intentional, unintentional, or negligent, whether legal or illegal, or otherwise that occur in connection with or in breach of this Contract or in the performance of the duties hereunder, whether performed by to the agent resulting from the willful misconduct or negligent performance by the Contractor its sub-contractors, agents, employees or assigns.~~ This indemnification shall survive the termination or conclusion of its Contract.

This change is not acceptable.

- e. **A. INDEMNIFICATION AND INSURANCE REQUIREMENTS**

(f) Contractor shall ~~immediately~~promptly notify Shelby County Government, Contracts Administration, 160 N. Main Street, Suite 550, Memphis, TN 38103 of cancellation or changes in any of the insurance coverage required.

This change is acceptable.

f. **A. INDEMNIFICATION AND INSURANCE REQUIREMENTS**

2. Insurance Requirements. The Contractor will provide evidence of the following insurance coverage which shall be written for not less than any limits of liability specified or required by law, whichever is greater. Shelby County Government, its elected officials, appointees and employee and members of boards, agencies, and commissions shall be named as additional insureds **except for Professional Liability**. The CONSULTANT will maintain throughout the life of this Contract insurance, through insurers authorized to do business in the State of Tennessee and rated A-X or better by A.M. Best, in the following minimum requirements.

This change is acceptable.

g. **A. INDEMNIFICATION AND INSURANCE REQUIREMENTS**

2. Insurance Requirements 1) Commercial General Liability Insurance - \$1,000,000 limit per occurrence bodily injury and property damage/\$1,000,000 personal and advertising injury/\$2,000,000 General aggregate/~~\$2,000,000~~ **including** Products-Completed Operations Aggregate. The insurance shall include coverage for the following:

- a) Premises/Operations
- b) Products/Completed Operations
- c) Contractual
- d) Independent Contractors
- e) Broad Form Property Damage
- f) Personal Injury and Advertising Liability

This change is acceptable.

2) Business Automobile Liability Insurance - \$1,000,000 each accident for property damage and bodily injury. Coverage is to be provided on all **Owned/Leased Autos**, Non-Owned Autos and Hired Autos

Coverage is to be provided on all Owned (if any)/Leased Autos, Non-Owned Autos and Hired Autos.

3) Workers Compensation and Employers' Liability Insurance – ~~Including coverage for sole proprietors, partners, and officers, regardless of requirements by Tennessee State Statute.~~ Policy is to be specifically endorsed to include these individuals for coverage. Employers Liability is \$1 000,000 per accident. Contractor/provider waives its right of subrogation against Shelby County for any and all workers' compensation claims.

This change is not acceptable.

4) Professional Liability/Errors & Omissions Insurance - ~~\$1,000,000 per claim or occurrence/\$3,000,000 annual aggregate.~~

This change is acceptable.

3. As part of our submission, does the County require to see a copy of our insurance policy or does the County want to be written as the certificate holder?
Shelby County Government is to be Certificate holder – provide Certificate with submission, can add the additional insureds upon awarding.

4. Will the County accept edits to the Insurance Requirements? We have provided our proposed edits under Question 2.
See #2 above

5. The County encourages the utilization of locally-owned small businesses as sources of subcontract work, however there does not appear to be sub-contracting requirements for this RFP.

If the proposer demonstrates they have put forth strong efforts in locating a LOSB, but is unsuccessful in finding a LOSB at this time, will the County accept these good faith efforts? In addition will the County accept these good faith efforts, as long as they are documented in the responder's response and as long as the responder commits to partnering with these businesses at a later time should the opportunity present itself?

Yes

6. Under the cost proposal, "Services Required Core and Other Core Services should be quoted as flat dollar amount with a brief description of Consultant's approach/methodology and experience relative to these services", is it the County's intention to have the responder provide the approach/methodology used to calculate the fees or the approach/methodology for each scope of service item?

If it is the latter of the two, will the County accept this approach/methodology, along with experience, under the responder's answer to the required "Comprehensive Response"?

It is the County's intention to have the responder to provide the approach/methodology for each scope of service item, not the approach/methodology used to calculate fees. The County will accept responder's answer to the required "Comprehensive Response" as the approach/methodology.

7. For the Eligibility Audit, please provide the number of covered dependents. If possible, please break it down by each major medical benefit.

The County has approximately 12,500 members (employees plus dependents) on its medical plans. The County cannot provide number of covered dependents by each major medical benefit.

8. **Section IX. Purpose – Services Required**

What is the 1) total current monthly premium paid and 2) current commission percentage for each of the following programs?

- Dental
- Vision
- Life and Disability (including Basic Life, Additional Life, Dependent Life, AD&D, Short and Long-Term Disability)
- Long Term Care
- TeleHealth Insurance

It is our policy not to include cost or budget figures as we want the Consultants to furnish their best proposal on our Services required.

Listed below are approximate enrollment numbers for the benefits requested:



Dental	3800
Vision	3000
Basic Life	5500
Additional Life	2900
Dependent Life	2600
AD&D	300
Short Term Disability	2500
Long Term Disability	5500

We currently do not offer Long Term Care or Telemedicine.

9. Employee Eligibility – Page 10

Do you have any collective bargaining groups where you provide employee benefits? When do your collective bargaining agreements expire for each of the organized labor organizations? What role does your current broker/consultant fulfill within this process?

All employees, including collective bargaining groups are provided with County's benefit programs. The County does not negotiate benefits with bargaining groups.

10. Scope of Contract/Purpose – Page 10

Why is this out to bid – service issues, costs, looking for fresh perspective, other?

Contract with current Consultant is expiring.

11. Scope of Contract/Purpose – Page 10

Who are all of the recipients of this RFP?

This RFP is open to all prospective bidders.

12. Scope of Contract/Purpose – Page 10
Does the incumbent broker/consultant provide all the services requested within this RFP?
If no, who else do you utilize to support you in managing these services and programs?
Yes
13. Scope of Contract/Other Responsibilities – Page 10
What are the most recent employee benefit priorities? Do you have a multi-year benefits strategy, including priorities for 2014?
Affordable Care Act is a benefit priority. We will develop a multi-year benefits strategy.
14. Scope of Contract/Other Responsibilities – Page 10
Have you completed an impact analysis on how the PPACA legislation will affect your benefit programs?
Yes
15. Scope of Contract/Healthcare – Page 10
Please provide premiums for all plan designs for the previous two years. Identify if you are providing premium equivalents or employee-share only.
This information is not available.
16. General Requirements/Healthcare – Page 10
What is your current retiree benefits strategy?
Pre-65 retirees are enrolled in the regular active medical programs. Post-65 retirees are enrolled in Medicare Supplement program. A full retiree benefits strategy will be developed.
17. General Requirements/Healthcare – Page 10
What current wellness and health improvement initiatives do you currently offer and how does your current broker/consultant support these initiatives? What reporting do you receive as part of these initiatives?
We are in the process of implementing a wellness and health improvement program that was developed in conjunction with our current consultant. No reporting is available.
18. Enrollment – Page 11
Out of the 5,000 identified employees, please break out full vs. part time employees. If there are none included within this number, how many part timers will be eligible for benefits?
The number of part timers is not available at this time.
19. Services Required – Page 12
What implementation support is needed once the business is awarded at the conclusion of the RFP process?
No implementation support is needed once the business is awarded.

20. Services Required – Page 13

What is the expected frequency and benefits to be marketed via RFP to the appropriate carriers and vendors?

This RFP is for three (3) years with two (2) additional one year renewals.

21. Services Required/Other Core Services – Page 13

You reference Employee Benefits Statements; what is the level of support you are requesting (i.e. content vs. production)? Please provide a blinded copy of the most recent statement.

This service is included should the County decide to issue Employee Statements.

22. Services Required/Other Core Services – Page 13

Detail the role your current broker/ consultant plays around COBRA, Flexible Spending Account, and Self-Pay Premium Administration?

RFP preparation and assist with negotiation of contract(s).

23. Services Required/Other Core Services – page 13

Please detail the services provided under Self-Pay Administration? Who is the vendor which provides these services?

Self-Pay admin vendor collects benefit premiums from employees who are on leave of absence, etc. The current vendor is CONEXIS.

24. Services Required/Other Core Services – Page 13

When was the last time the County conducted any of the following:

- a. Dependent Eligibility Audit?
- b. Operational or Claims Audit?
- c. Clinical Audit?

The County has not conducted a Dependent Eligibility Audit. Claims Audit was performed in 2008-2009.

25. Services Required/Voluntary Benefits – Page 13

Which voluntary benefits are being offered and for what groups of employees?

- a. Are any benefits provided for part-time employees who work less than 30 hours per week? If so, what benefits and on what basis?
- b. If not, would the County consider offering benefits on a voluntary basis to part time employees?

The County will consider offering benefits on voluntary basis to part time employees.

26. Services Required – Page 13

What other services which are not listed within this request, has your current consultant/ broker delivered or provided support to the County within the last two years?

Legislative, Early Retiree Reinsurance, Telemedicine, etc.

27. Indemnification Requirement – Page 19
Would Shelby County Government be willing to accept a mutually agreed upon Limit of Liability in its contract?
Yes, but we would add “to the extent applicable law allows such limitation”...
28. Cost and Fees – Page 23
How much of the current fee agreement is offset via commissions? What is the total current compensation (fees and/or commissions) that your current broker/consultant is receiving for the outlined services for the past two years?
Voluntary programs offset via commissions. Compensation amount is not available.
29. Cost and Fees – Page 23
Are commissions currently paid under any current voluntary or executive benefits insurance contracts? If so, would the County assign the new consultant as BOR on existing contracts?
Yes. The County would not assign new consultant as BOR on exiting contracts.
30. Cost and Fees – Page 23
Please break out the compensation received for communications, compliance & regulatory support and employee broker/consulting services for the past two years.
This information is not available.
31. Local Owned Small Business (LOSB) – Page 8
If we do not include a LOSB, what type documented evidence of good cause would the County find acceptable?
See # 5 above.
32. Living Wage – Page 9
What requirements from a documentation or attachment standpoint are needed?
Section II. Minimum Proposer Requirements, #6 states “A written statement of compliance must be provided with your response.”